**Module – 5 New O.B**

**Organizational Change: -**

**Meaning of Organizational Change –**

**Organizational change** is about the process of **changing** an **organization's** strategies, processes, procedures, technologies, and culture, as well as the effect of such **changes** on the **organization**. There are many different theories about **organizational change**.

**Definition of Organizational Change –**

**Organizational Change** looks both at the process in which a company or any organization changes its operational methods, technologies, organizational structure, whole structure, or strategies, as well as what effects these changes have on it. Organizational change usually happens in response to – or as a result of – external or internal pressures.

It is all about reviewing and modifying structures – specifically management structures – and business processes.

Small commercial enterprises need to adapt to survive against larger competitors. They also need to learn to thrive in that environment. Large rivals need to adapt rapidly when a smaller, innovative competitor comes on to the scene.

To avoid falling behind, or to remain a step ahead of its rivals, a business must seek out ways to operate more efficiently. It must also strive to operate more cost effectively.

The advantages of Internet, the business environment today has been changing at a considerably faster pace compared to forty years ago. Organizational change is a requirement for any business that wants to survive and thrive.

**Nature of Organizational Change –**

Change is a part of life and provides opportunity for growth. It is a conscious decision by the management of organisation. In any organisation, we have people engaged in production, research, development, administration, etc. The organisation in order to change should prepare a stock of the situation and should effect change in their attitude and style of functioning.

An organisation is an open system which implies that it is in a constant interaction and interdependent relationship with its environment. Any change can occur in its environment, such as change in consumer tastes and preferences, competition, economic policies of the government, etc.

**An organisation consists of interrelated and interacting system, to perform complicated tasks such as:**

1. Authority and power system.
2. Reorganisation of the tool and techniques used in the system evolving proving of better equipment.
3. Change in the attitudes and behaviours and interpersonal relationship of people working in the organisation through systematic manpower planning.
4. Delayering to flatten structures.
5. Change to multiple reporting relationships.
6. Jobs designed to grow.
7. Increase in job flexibility.
8. Increase in organisational flexibility.
9. Need for clear, measurable, and flexible standards of performance at all level, etc.

**Types of Organizational Change –**

**Organizational changes are of two types:**

1. Reactive changes and
2. Proactive changes (planned changes).

**A brief description of these follows:**

**1. Reactive Changes:**

Reactive changes occur when forces compel organization to implement change without delay. In other words, when demands made by the forces are compiled in a passive manner, such a change is called reactive change.

**2. Proactive Changes:**

Proactive changes occur when some factors make realize organization think over and finally decide that implementation of a particular change is necessary. Then, the change is introduced in a planned manner.

**The difference between reactive and proactive changes can made on the basis of behavioural angle:**

1. Reactive change involves a reflexive behaviour whereas proactive change involves purposive behaviour.
2. Reactive change covers a limited part of the system but proactive change co-ordinates the various parts of the system as a whole.

3. While reactive changes respond to immediate symptoms, proactive changes address to underlying forces creating symptoms.
An example will help you distinguish the two changes in clearer manner.
Remember, you respond reflexively to a sudden intense light by blinking your eyes or by pupillary contraction. Undoubtedly, yours this is an automatic and instant response to a force (intense light) without giving any thought.
But, your purposive response to the same force would involve devising a plan either to shield the eyes or removing the light. Obviously, yours this action would involve co-ordination of central nervous system and psychomotor capacities.

**Planned Changes:**

When changes are effected after working out when and how they will be carried out, planned changes occur. For initiating planned change, the manager needs to constantly watch the changes taking place in the external and internal environment of the business so that corrective measures are taken accordingly and the changes could be effected successfully.

**Reasons for Changes:**

**Following are some of the causes of organizational changes which lead to disequilibrium end resistance:**

**i. Change in Tools, Machines and Equipment:**

Technological or mechanical changes in machines, tools and equipment's may bring change in the organization. For example, installation of an automatic machinery in place of old machinery, may result in displacement or re- placement of people or loss of job to people and may create disequilibrium.

**ii. Change in Methods and Procedures:**

Man is a creature of habits. He feels irritated when change occurs in methods and procedures of work of which he is accustomed to. As it takes time to adjust to the new environment, it creates disequilibrium till the complete adjustment to the new environment.

**iii. Change in Business Conditions:**

Changes in business conditions such as change in the quality of the product, change in the marketing system or practices, business cycles, change in industrial policy etc. all create disequilibrium in the work-environment and it needs adjustment accordingly.

**iv. Change in Managerial Personal:**

Change in the managerial personal in the organization may result in disequilibrium. A personnel may retire or change place or may be appointed afresh, this will all affect the policies, practices, procedures and programmes of the organization and the people are to adjust themselves accordingly.

**v. Change in Formal Organization Structure:**

The formal organization structure establish a form and line of command of authority and responsibility in an organization. Along with these lines, channels of communication and interpersonal relations are established. If there is a change in this formal organizational structure, there will be a change in the formal relationship which creates disequilibrium.

**vi. Change in Informal Organization:**

Informal organization is a must in every formal organization and is a very important part of our existence because many of our motivational forces find satisfaction in this relationship. Consequently when management likes to introduce any change that disturbs the informal relationship established among people there is bound to be a state of imbalance.

**A short list of some of the changes which affected almost all organization in the past few decades is given here:**

i. Technological innovations have multiplied, products and knowhow are fast becoming obsolete.
ii. Basic resources have progressively become more expensive.

iii. Competition has sharply increased.
iv. Environmental and consumer interest groups have become highly influential.
v. The drive for social equity has gained momentum.
vi. The economic inter-dependence among countries has become more apparent.

**All the reasons for organizational change can be classified into two categories external reasons and internal reasons:**

**a. External Reasons:**

A number of changes in the external environment may cause change in the organization. Here, we are mentioning some of the most common and obvious external reasons of organizational change-

**1. Government Rules and Regulations:**

One can catalogue a long list of the Government's rules and regulations necessitating changes in organizations. For example, the recent slashing of grants by the University Grants Commission (UGC) to the Universities have forced them to strengthen their revenue generating functions, such as training programmes, consultancy, offering self-financing courses, etc.

Likewise, the Government's policy to privatise the power sector encouraged Jayprakash and the DLF to diversify into the power sector.

**2. Competition:**

The present time is the survival of the fittest. Organizations need to come up the challenges posed by the competitors to sustain and survive. In 1993, Mudra Communication decided to reorganise itself to counter the threats from its competitors Lintas and HTA.

**3. Technological Advances:**

Technology has become the buzzword of the time. Rapid changes in technology has posed a question before the organization – either run or ruin. The revolutionary change in communication technology, i.e., communication satellite, cable networking, dish antenna, etc., compelled the Doordarshan to restructure itself by segmenting its services to different categories of viewers and become more competitive.

**4. Change in People Requirements:**

Customers dictate organization what they actually require. With changing requirements of customers, the five-star-hotels have, of late, started to offer new services, such as business centres, conference hall facilities, secretarial services, etc.

**b. Internal Reasons:**

**Though there may be a host of internal factors that may also cause change in organizations, some of the illustrative ones are listed here:**

**1. Change in Leadership:**

Leadership changes culture and values in the organizations. V. Krishnamurty of SAIL, Tapan Mitra of INDAL, Ratan Tata of Tata Sons are the examples how the change in leadership led to internal changes in these organizations.

**2. Introducing New Technology:**

Introduction of new technology in an organization is bound to have consequences for other functions as well. For examples, the computerisation of the Examination Division of the M.K. University affected other aspects as well, such as reporting relationships, span of control, co-ordination mechanism and so on.

**3. The Domino Effect:**

The source of change is change itself. The domino effect means one change triggers off a series of related changes. For example, establishing a new department, e.g., the Department of Business Administration may cause the creation of teaching and non-teaching positions, budgeting allocation, building construction etc. Ignoring domino effect leads to the problems of co-ordination and control.

**4. For Meeting Crises:**
Just like human life, some unforeseen happening, say, crisis in the organization makes continuation of the status quo unthinkable and difficult. Sudden death of a CEO, the resignation of the executives holding key positions, loss of major suppliers, a drastic cutback in budget and civil disturbances are the examples of unforeseen crises.
These make the organizational condition unstable and this instability becomes the stimulus for thorough self-assessment and reform to change the organization to overcome the crisis before it.
**5. Organizational Life-Cycle:**
As human beings pass through certain sequential stages of life-cycle, so do the organizations also. As an organization grows from tiny sized to giant sized or from young to mature stage, according to Larry Greiner, it passes through five stages.
Each stage creates new demands for adjustment for the organization and so, act as a potent source of organizational change. Each stage culminates in a crisis (which Greiner calls 'revolution'), which the organization must overcome before graduating to the next stage.

**Forces that acts as stimulants to Organizational change –**

It summarizes six specific forces that are acting as stimulants for a change

Nature of the workforce:
* More cultural diversity
* Aging population
* Many entrants with inadequate skills
* Technology
* Faster, cheaper and, more mobile computers
* Online music sharing
* Deciphering of the human genetic code

Economic Shocks:
* Rise and fall of dot-com stocks
* 2000-02 stock market collapse
* Record low interest rates

Competition:
* Global competitors
* Mergers and consolidations
* Growth of e-commerce

Social trends:
* Internet chat rooms
* Retirement of baby boomers
* Rise in discount and big box retailers

World politics:
* Iraq-US war
* Opening of markets in China
* War on terrorism following 9/11/01.

Competition is changing. The global economy means that competitors are as likely to come from across the ocean as from across town. Heightened competition also makes it necessary for established organizations to defend themselves against both traditional competitors who develop new products and services and small entrepreneurial firms with innovative offerings. Successful organizations will be the ones that can change in response to the competition. They'll be fast on their feet, capable of developing new products rapidly and getting them to market quickly. They'll rely on short production runs, short product cycles, and an ongoing stream of new products. In other words, they'll be flexible. They will require an equally flexible and responsive workforce that can adapt to rapidly and even radically changing conditions.

Social trends don't remain static. For instance, in contrast to just 15 years ago, people are meeting and sharing information in Internet hat rooms; baby boomers have begun to retire; and consumers are increasingly doing their shopping at discount warehouse and big box retailers warehouse and big box retailers like Home Depot and circuit city.

**Implementing Organizational Change : -**

**How to overcome theResistance to Change –**

efforts can be at individual, group and organisational levels. However, organisations are made up of individuals and groups an attempt is made to enlist the efforts at organisational level.
**These are:**
**1. Bringing about Change in Mind-sets:**
Bringing about change in mind-sets is done by whom? Obviously, it is leader. That is the top brass is to provide role models. It is the quality of leadership that brings about change that is conducive to bring about desired type and level of change in the organisation.
**Professor Victor S.L. Tan gives recommends a seven points programme for changing the mind-sets:**
1. Decentralising the organisation and empowering people
2. Encouraging creativity, innovation and experimentation
3. Rewarding those who manage change well
4. Fostering a democratic work-place based on trust instead of fear
5. Encouraging the use of power of influence rather than authority
6. Redesigning work to build responsibility and ownership in people
7. Developing team-spirit and cooperation among the staff.

Again Professor Victor S.L. Tan ten basic shifts in minds for Asian managers so that they can keep their organisations highly sensitive, responsive and flexible.
**2. Creating Conducive Atmosphere for Change:**
Change for the better is impossible unless the organisation has conducive atmosphere for change. The high yielding systems such as total quality management (TQM), total preventive maintenance (TPM), total cost management (TCM), six-sigma, re-engineering, cluster dynamics, re-organisation and the like are likely to fail because the management is disabled to bring about change in work-climate.
That is why Professor Victor S.L. Tan says that even the well-orchestrated change will fail if the environment is not conducive; the plans, efforts and morale get defeated along the way; thus, it is necessary to develop an environment that is positive for change.
**To nurture the staple of conducive environment the leaders at the top are to:**
**i. Develop a Compelling Vision:**

The companies are expected to develop a strategic vision that generates creative tension amongst the executives and employees, inspire them to work with sizzling zeal and provide them direction towards the final destinations of success and growth and prosperity of the company.

**ii. Empower People:**

To bring about change with greater degree of success, there is need for whole-hearted support and participation from the executives as well as employees at all the levels of the organisation. The point lies in collective thinking and acting than demonstrating whims and fancies, status ego and not using the powers.

There is need for unity of thought, purpose and action; it needs empowering the people at all levels where one feels proud that he or she has been recognised to contribute towards implementation.

**iii. Construct a Climate of Trust and Frankness:**

The leaders of the organisation are to structure a lively climate of trust and frankness that helps them to win the hearts of people down the levels.

In the words of Professor Victor S.L. Tan "Building trust begins with openness; people must be able to communicate openly from the top of the organisation to the bottom, and Vice Versa. People should be able to speak without fear of being victimised because of their views being different from those of their leaders. Fear detains the creativity and talent of individuals".

Hence, in implementing change each one's contribution makes a good deal of difference which is possible through frank exchange of ideas and suggestions.

**iv. Prepare People to Shoulder Risks:**

Change calls for taking risks. By nature; people avoid change because they do not want to take risk as they have fear of failure. However, people in the organisation can turn venture some when the leaders move forward to communicate the very change plan, train, demonstrate the methods of change and carry out trials, or trial runs.

Variances will be of high degree at initial stage which are to be tolerated; they are to stand behind the people who are affording to venture risk; they should accept the responsibility for the result of the implemented change-good or bad-low or high. This builds the confidence of people to take risks.

**3. Communicating the Rationale behind Change:**

It is very essential that the people should know-why change? What is the motive behind change? What is that justifies change? People are eager to know the answer to these questions before they are asked to act upon. Hence, it is very essential to bring home the rationale behind the change which is possible through effective communication.

Unfortunately, most of the managers communicate either too little or too late. The result is that people who are under the influence of change, near about it through unofficial or informal means leading to widening the communication gaps. In spite of holding the meetings, issue of circulars the very purport and the philosophy of change remains an ice-berg.

To make people to accept change and to do away with resistance to change, the reasons, benefits and side-effects of change should be brought of their notice in an impressive, impelling and convincing manner.

The rationale behind change may be- improving the level of efficiency and effectiveness of day-to-day performance, meeting the aspirations of customers, growing by following on innovative strategy, moving from- followership-to challenger ship-or leadership in markets, excelling competitors by product modification and refinement or using extension strategies to elongate product life cycle, achieving the overall improvement in the organisation and so on. In short, leaders or the managers are to sell well the package of change.

**4. Getting Commitment to Change:**
Getting peoples commitment for change is a must. It is because, it is something more than empowering the people and injecting interest in the work. There is a difference between 'interest' and 'commitment'. According to Mr. Kenreth Blanchard- "when you are interested in doing something you do it only when it is convenient. When you are committed to something, you accept no excuses, only results".
That is commitment is result oriented approach. The KL Strategic Change Consulting, of Kaula Lumpur—Malaysia, conducted in-depth research in companies that have implemented change. The findings of the research demonstrate that winning commitment or gaining commitment to change is hexagonic.

**Approaches to managing Organizational Change –**

**Managing Varied Types of Major Organizational Change**

Organizational change comes in many forms. It may focus on creating new systems and procedures; introducing new technologies; or adding, eliminating or rebranding products and services. Other transformations stem from the appointment of a new leader or major staffing changes. Still other changes, such as downsizing or layoffs, bankruptcy, mergers and acquisitions, or closing a business operation, affect business units or the entire organization. Some changes are internal to the HR function.

In addition to the general framework for managing change, change leaders and HR professionals should also be aware of considerations relating to the particular type of change being made. The subsections below highlight some of the special issues and HR challenges.

**Mergers and acquisitions**

A merger is generally defined as the joining of two or more organizations under one common ownership and management structure. An acquisition is the process of one corporate entity acquiring control of another by purchase, stock swap or some other method. Nearly two-thirds of all mergers and acquisitions (M&As) fail to achieve their anticipated strategic and financial objectives. This rate of failure is often attributed to HR-related factors, such as incompatible cultures, management styles, poor motivation, loss of key talent, lack of communication, diminished trust and uncertainty of long-term goals.

HR professionals face several challenges during M&As, including the following:

- Attempting to maintain an internal status quo or to effect change—either to facilitate or thwart (in the case of a hostile takeover) a possible merger or acquisition, as instructed by upper management.
- Communicating with employees at every step in the M&A process with appropriate levels of disclosure and secrecy.
- Devising ways to meld the two organizations most effectively, efficiently and humanely for the various stakeholders.
- Dealing with the reality that M&As usually result in layoffs of superfluous employees. This process entails coordinating separation and severance pay issues between the combining organizations.
- Addressing the ethical dilemmas involved, such as when an HR professional may be required to eliminate his or her own position or that of a co-worker or an HR counterpart in the combined organization.

**Downsizing**

Successfully implementing a layoff or reduction in force (RIF) is one of the more difficult change initiatives an HR professional may face. Tasks HR professionals will need to undertake include:

- **Planning thoroughly.** Each step in the process requires careful planning, considering alternatives, selecting employees to be laid off, communicating the layoff decision, handling layoff documentation and dealing with post-layoff considerations.
- **Applying diversity concepts.** HR should form a diverse team to define layoff criteria and make layoff selections.
- **Addressing the needs of the laid-off.** This step involves reviewing severance policies, outplacement benefits, unemployment eligibility and reference policies.
- **Dealing with the emotional impact.** HR professionals should understand and prepare for the emotional impact of layoffs on the downsized employees and their families, on the managers making layoff decisions, on other HR professionals involved, and on remaining employees and managers working with the post-layoff workforce. In some situations, an HR professional may even be responsible for implementing his or her own layoff, a case calling for the utmost in professional behavior.
- **Managing the post-layoff workforce.**

**Bankruptcy**

Filing for a business bankruptcy and successfully emerging from the process is generally a complex and difficult time for all parties. HR may have to cut staff, reduce benefits, change work rules or employ a combination of such actions. A major strategic concern during a Chapter 11 bankruptcy is retaining key personnel.

Compassion, frequent communication and expeditious decision-making will help reduce the stress an organization's employees are likely to experience during this difficult organizational change. Showing genuine respect for people and treating them with honesty, dignity and fairness—even as difficult decisions are being made about pay, benefits and job reductions—will drive the success or failure of an organization post-bankruptcy.

**Closing a business operation**

Businesses make the difficult decision to close all or part of their operations for many reasons, including economic recession, market decline, bankruptcy, sale, a realignment of operations, downsizing, reorganization, outsourcing or loss of contracts.

HR professionals will play an integral role during such business closures, from developing the plan for the closure through the final stages of shutdown. Some of HR's major responsibilities during this type of organizational change are listed below:

- **Following facility-closing notification laws.** HR must determine whether and to what extent the business must comply with notification requirements under federal or state laws for mass layoff and facility closings. HR will also lead the announcement process and participate in all aspects of employee communications, which may include all-employee meetings, written announcements and media interviews.
- **Announcing the closure news.** HR has an important role to play in anticipating and responding to workforce reactions by having as much information and resources on hand as possible. To avoid hostilities or other destructive behavior, HR should consider using an employee assistance program or an outplacement firm.

- **Providing employee benefits information.** After the shock of the announcement subsides, the most frequently asked questions involve benefits, including unemployment compensation, health care continuation, pension plan issues, and retirement plan distributions and rollovers.
- **Coordinating outplacement services.** Offering outplacement services for departing employees may enable business owners and managers to provide much-needed support and protect the organization's reputation. If financially feasible, the organization may offer departing employees outplacement services from a private outplacement consulting firm or, in some states, a state agency.
- **Negotiating with unions.** In unionized facilities, employers have a duty to bargain about the effects of a business closure decision. These negotiations typically involve assistance benefits, seniority issues, pension plan issues and employment opportunities at facilities not affected by the closure.
- **Costing the closure.** Anticipating the costs of a business closure is critical from an early stage of the process and will fall heavily on HR. This procedure involves assessing the cost of winding down employee benefits, assistance benefits, payroll and administrative costs, severance payments, union demands, unresolved employee claims or charges, security precautions, and any closing notification penalties.
- **Disposing of company property.** HR should know the organization's policy for disposal of company property and respond to employees' requests for office furniture, equipment, machinery and other tangible business assets. If the business does not sell or transfer assets or is not in debt to creditors, HR may help determine whether to give items to employees, community groups, schools or other potential recipients.
- **Complying with legal requirements.** Numerous legal issues surround the closing of a business. Depending on the number of employees and the employer's commitments to employee benefits programs, legal compliance may require following closing-notification requirements, sending out COBRA notices and termination letters, issuing final paychecks, making any required severance payments and communicating unemployment compensation. HR must know how to comply with the laws and avoid litigation risks.

**Outsourcing**

For several reasons, including cost savings and freeing staff to focus on more strategic efforts, an organization may decide to outsource HR or other business functions. Outsourcing is a contractual agreement between an employer and a third-party provider whereby the employer transfers the management of and responsibility for certain organizational functions to the external provider. Many types of outsourcing options are available to employers, from outsourcing one aspect of a single function to outsourcing an entire functional department. This change can have a similar impact on employees as downsizing or closing a department.

When deciding whether to outsource, an organization should carefully consider questions about its needs in a particular functional area, current processes, business plan and outsourcing options, including:

- Does the situation merit outsourcing?
- Is the department providing excellent service with existing staff and processes? Is it meeting the organization's needs?
- Can the affected department handle outsourcing without disrupting operations?
- Will the CEO and top management team support and pay for an outside vendor?

- How might an outsourcing arrangement fall short of expectations? How can such risks be mitigated?

During an HR outsourcing process, HR professionals may be asked to identify solutions to guide organizations through vendor selection and management of the outsourcing relationship.

**Changes within HR**

HR professionals frequently help other parts of the organization respond to change, but what happens when the HR department becomes the epicenter of change? These kinds of transformations, such as moving to a shared services model, integrating with another HR function following a merger or delivering new services to new clients, can be more difficult for HR professionals to manage than other types of organizational changes.

During major changes within the HR function, HR should do the following:

- **Lead by example.** Do exactly what HR asks other leaders and managers to do during major change initiatives.
- **Remember that HR professionals' responsibilities never cease.** The HR department must continue to serve employees while contending with the discomfort, confusion and demands that department-specific change creates.
- **Keep in mind that few organizational changes occur in isolation.** If senior leaders decide to implement an HR shared services model, for instance, the information technology, finance and procurement functions also could move to a similar model or initiating efficiency projects.
- **Measure the degree to which HR staff is prepared to change before plunging into the change.** HR leaders should assess staff readiness and engagement through interviews and surveys. After evaluating the results, they should make necessary adjustments in staff readiness and engagement levels before proceeding.
- **Realize that most HR transformations require fresh, or refreshed, talent.** HR leaders can fire and hire, or they can retrain and develop.

**Legal Issues**

In addition to managing the "people side" of organizational change initiatives, HR professionals should keep leadership informed of any applicable employment laws and the potential legal implications of various types of change. Typically, HR will be responsible, in consultation with legal counsel, for ensuring compliance with pertinent federal, state, local and international employment laws and regulations.

Legal compliance requirements may vary considerably based on the nature of the change initiative, the location(s) and size of the organization, whether the employer is unionized, and other factors. Federal laws that may apply to particular organizational change initiatives include:

- Title VII of the Civil Rights Act of 1964.
- Age Discrimination in Employment Act (ADEA).
- Americans with Disabilities Act (ADA).
- National Labor Relations Act (NLRA).
- Worker Adjustment and Retraining Notification Act (WARN) of 1988.
- Employee Retirement Income Security Act (ERISA).

- Health Insurance Portability and Accountability Act (HIPAA) of 1996.
- Consolidated Omnibus Budget Reconciliation Act (COBRA).

**Global Issues**

Significant organizational changes can create ongoing conflict between two locations in the same country. But conflict is more likely to occur, and is harder to address, when differences in language, time zones, institutions and business practices exist. According to research conducted by the Economist Intelligence Unit, companies will continue to become larger and more global, handling operations in more countries than they do today.[4]

Culturally based assumptions about customer needs, infrastructure, competitive threats and other factors make it more difficult to find common ground during a cross-cultural change initiative. What differentiates an organization's products or services in one country may not be the same elsewhere, and the strengths that it has in its home market may not be easily replicated in other countries.

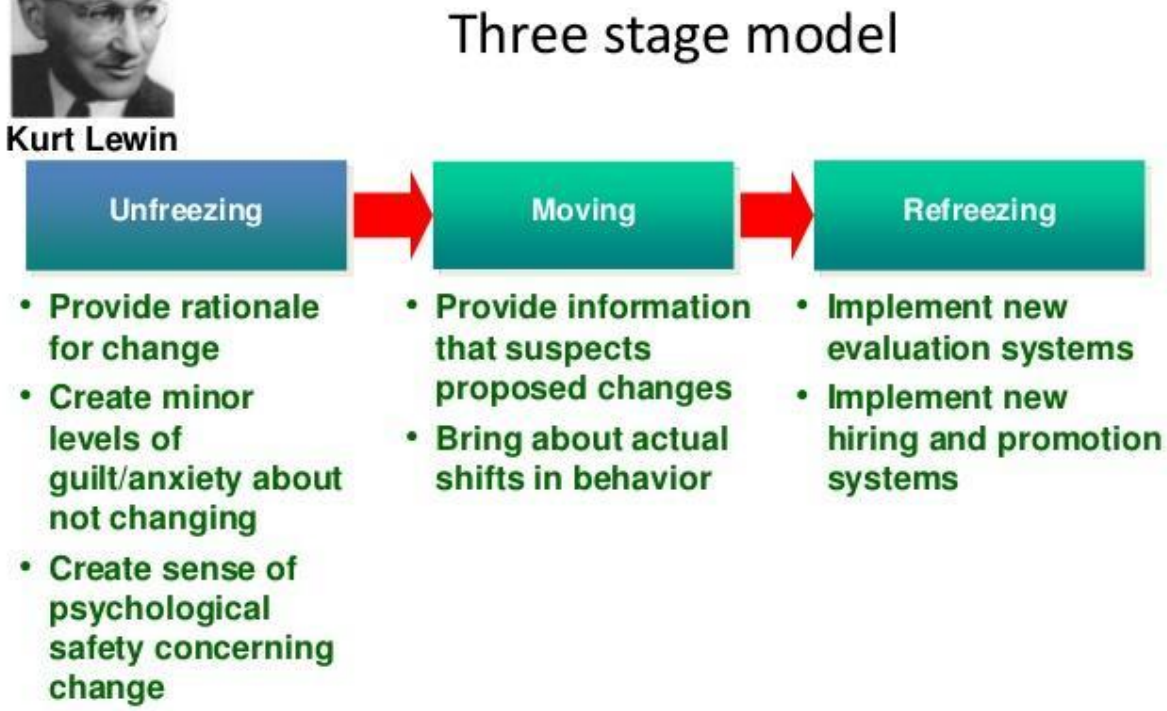
Common problems in cross-cultural change initiatives include:

- **Lack of a partnership approach.** It is natural for an organization to consider its home market and its largest customers when planning change efforts. However, those voices can easily drown out the needs of employees or clients in distant markets, including those that could have high growth potential. By partnering with all employees and clients from the beginning and considering future potential for revenue, profit and growth, an organization can build an approach to change that integrates the patterns of past successes with future directions.
- **Misreading similarities and differences in markets.** Multinational organizations might project solutions suitable for one country onto another country or assume that customers abroad want to behave "more like us." To make matters more complicated, foreign products may have considerable appeal in some markets but often for reasons that only make sense in the local context. Companies may expect the same competitive landscape, yet the largest competitive threats may come from companies that are unknown back at headquarters.
- **Not enough accountability.** Establishing accountability at the local level is difficult when employees lack a sense of ownership for a new initiative. This situation can be exacerbated by the typical matrix organizational structure at many global companies. Employees who report into both a global business unit and a local management structure frequently pay the closest attention to the managers they encounter every day who are most likely to affect their futures.

Leaders of global change initiatives should consider these potential problems and plan to address them in advance. They will be far more likely to avoid change-related pitfalls; achieve their objectives; and build business partnerships characterized by mutual learning and superior business results.

**Kurt Lewin's-Three step model –**

Kurt Lewin


Three stage model
Unfreezing
Moving
Refreezing
• Provide rationale for change
• Create minor levels of guilt/anxiety about not changing
• Create sense of psychological safety concerning change
• Provide information that suspects proposed changes
• Bring about actual shifts in behavior
• Implement new evaluation systems
• Implement new hiring and promotion systems

Understanding Lewin's Change Management Model

If you have a large cube of ice but realize that what you want is a cone of ice, what do you do? First you must melt the ice to make it amenable to change (unfreeze). Then you must mold the iced water into the shape you want (change). Finally, you must solidify the new shape (refreeze).

By looking at change as a process with distinct stages, you can prepare yourself for what is coming and make a plan to manage the transition – looking before you leap, so to speak. All too often, people go into change blindly, causing much unnecessary turmoil and chaos.

To begin any successful change process, you must first start by understanding why the change must take place. As Lewin put it, "Motivation for change must be generated before

change can occur. One must be helped to re-examine many cherished assumptions about oneself and one's relations to others." This is the unfreezing stage from which change begins.

## Unfreeze

This first stage of change involves preparing the organization to accept that change is necessary, which involves breaking down the existing status quo before you can build up a new way of operating.

Key to this is developing a compelling message showing why the existing way of doing things cannot continue. This is easiest to frame when you can point to declining sales figures, poor financial results, worrying customer satisfaction surveys, or suchlike. These show that things have to change in a way that everyone can understand.

To prepare the organization successfully, you need to start at its core – you need to challenge the beliefs, values, attitudes, and behaviors that currently define it. Using the analogy of a building, you must examine and be prepared to change the existing foundations as they might not support add-on storeys. Unless this is done, the whole building may risk collapse.

This first part of the change process is usually the most difficult and stressful. When you start cutting down the "way things are done," you put everyone and everything off balance. You may evoke strong reactions in people, and that's exactly what needs to be done.

By forcing the organization to re-examine its core, you effectively create a (controlled) crisis, which in turn can build a strong motivation to seek out a new equilibrium. Without this motivation, you won't get the buy-in and participation necessary to effect any meaningful change.

## Change

After the uncertainty created in the unfreeze stage, the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction.

The transition from unfreeze to change does not happen overnight: people take time to embrace the new direction and participate proactively in the change. A related change model, the **Change Curve** , focuses on the specific issue of personal transitions in a changing environment and is useful for understanding this aspect in more detail.
In order to accept the change and contribute to making it successful, people need to understand how it will benefit them. Not everyone will fall in line just because the change is necessary and will benefit the company. This is a common assumption and a pitfall that should be avoided.

Time and communication are the two keys to the changes occurring successfully. People need time to understand the changes, and they also need to feel highly connected to the organization throughout the transition period. When you are **managing change** , this can require a great deal of time and effort, and hands-on management is usually the best approach.

## Refreeze

When the changes are taking shape and people have embraced the new ways of working, the organization is ready to refreeze. The outward signs of the refreeze are a stable organization chart, consistent job descriptions, and so on. The refreeze stage also needs to help people and the organization internalize or institutionalize the changes. This means making sure that the changes are used all the time, and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working.

The rationale for creating a new sense of stability in our ever-changing world is often questioned. Even though change is a constant in many organizations, this refreezing stage is still important. Without it, employees get caught in a transition trap where they aren't sure how things should be done, so nothing ever gets done to full capacity. In the absence of a new frozen state, it is very difficult to tackle the next change initiative effectively. How do you go about convincing people that something needs changing if you haven't allowed the most recent changes to sink in? Change will be perceived as change for change's sake, and the motivation required to implement new changes simply won't be there.

As part of the refreezing process, make sure that you celebrate the success of the change – this helps people to find closure, thanks them for enduring a painful time, and helps them believe that future change will be successful.

## Practical Steps for Using the Framework

### Unfreeze

1. Determine what needs to change.

- Survey the organization to understand the current state.
- Understand why change has to take place.

2. Ensure there is strong support from senior management.

- Use **Stakeholder Analysis** and **Stakeholder Management** to identify and win the support of key people within the organization.
- Frame the issue as one of organization-wide importance.

3. Create the need for change.

- Create a compelling message about why change has to occur.
- Use your vision and strategy as supporting evidence.
- Communicate the vision in terms of the change required.
- Emphasize the "why."

4. Manage and understand the doubts and concerns.

- Remain open to employee concerns and address them in terms of the need to change.

Change

1. Communicate often.

- Do so throughout the planning and implementation of the changes.
- Describe the benefits.
- Explain exactly how the changes will affect everyone.
- Prepare everyone for what is coming.

2. Dispel rumours.

- Answer questions openly and honestly.
- Deal with problems immediately.
- Relate the need for change back to operational necessities.

3. Empower action.

- Provide lots of opportunity for employee involvement.
- Have line managers provide day-to-day direction.

4. Involve people in the process.

- Generate short-term wins to reinforce the change.
- Negotiate with external stakeholders as necessary (such as employee organizations).

Refreeze

1. Anchor the changes into the culture.

- Identity what supports the change.
- Identify barriers to sustaining change.

2. Develop ways to sustain the change.

- Ensure leadership support.
- Create a reward system.
- Establish feedback systems.
- Adapt the organizational structure as necessary.

3. Provide support and training.

- Keep everyone informed and supported.

4. Celebrate success!

**Seven Stage model of Change for Implementing Change –**

7 Fundamental Change Management Models

**Lewin’s change management model**

Developed in the 1940s, Lewin's change management model remains relevant because of its simple yet effective structure. According to the change model's namesake, Kurt Lewin, organizational change management can be broken down into three smaller, more manageable stages:

- Unfreeze
- Change
- Refreeze

A physicist by trade, Lewin used the example of turning a cube of ice into a cone of ice and applied it to organizational change management.

Lewin's Change Management Model

First, a team or organization must “unfreeze” their current process and perceptions when preparing for upcoming changes. This step helps the team approach the task or challenge with a clean slate without bias or bad habits.

Next, it’s time to implement changes. Effective change requires clear and constant communication across all affected channels both during and after deployment.

Finally, it’s time to “refreeze.” Assuming accurate feedback and ongoing communication occurred during the “change” step, the refreeze step locks into place the new process. Like ice molds, teams and organizations need to move away from an old mold before they can fit into a new one.

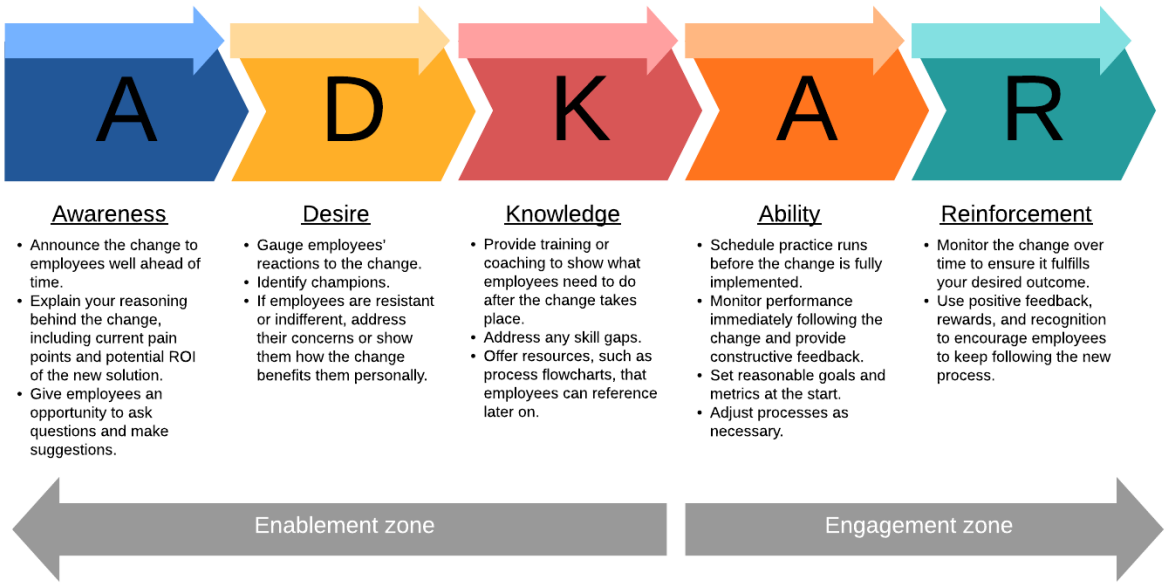
The Lewin change model, while too simplistic for some, is favoured by others for its ability to uncover old patterns or overlooked problems as well as for its clean approach to new ways of thinking.

**ADKAR model**

The ADKAR model is popular for its people-focused approach to change management. Created by Jeffrey Hiatt, the ADKAR change model helps facilitate change on an individual

level since change is often less about the changes themselves and more about people's reactions to them. ADKAR is an acronym for:

- **Awareness:** Awareness of the need to change
- **Desire:** Desire to participate in and support the change
- **Knowledge:** Knowledge of how to change
- **Ability:** Ability to implement the change
- **Reinforcement:** Reinforcement to sustain the change


A
D
K
A
R
Awareness
• Announce the change to employees well ahead of time.
• Explain your reasoning behind the change, including current pain points and potential ROI of the new solution.
• Give employees an opportunity to ask questions and make suggestions.
Desire
• Gauge employees' reactions to the change.
• Identify champions.
• If employees are resistant or indifferent, address their concerns or show them how the change benefits them personally.
Knowledge
• Provide training or coaching to show what employees need to do after the change takes place.
• Address any skill gaps.
• Offer resources, such as process flowcharts, that employees can reference later on.
Ability
• Schedule practice runs before the change is fully implemented.
• Monitor performance immediately following the change and provide constructive feedback.
• Set reasonable goals and metrics at the start.
• Adjust processes as necessary.
Reinforcement
• Monitor the change over time to ensure it fulfills your desired outcome.
• Use positive feedback, rewards, and recognition to encourage employees to keep following the new process.
Enablement zone
Engagement zone

ADKAR Change Model

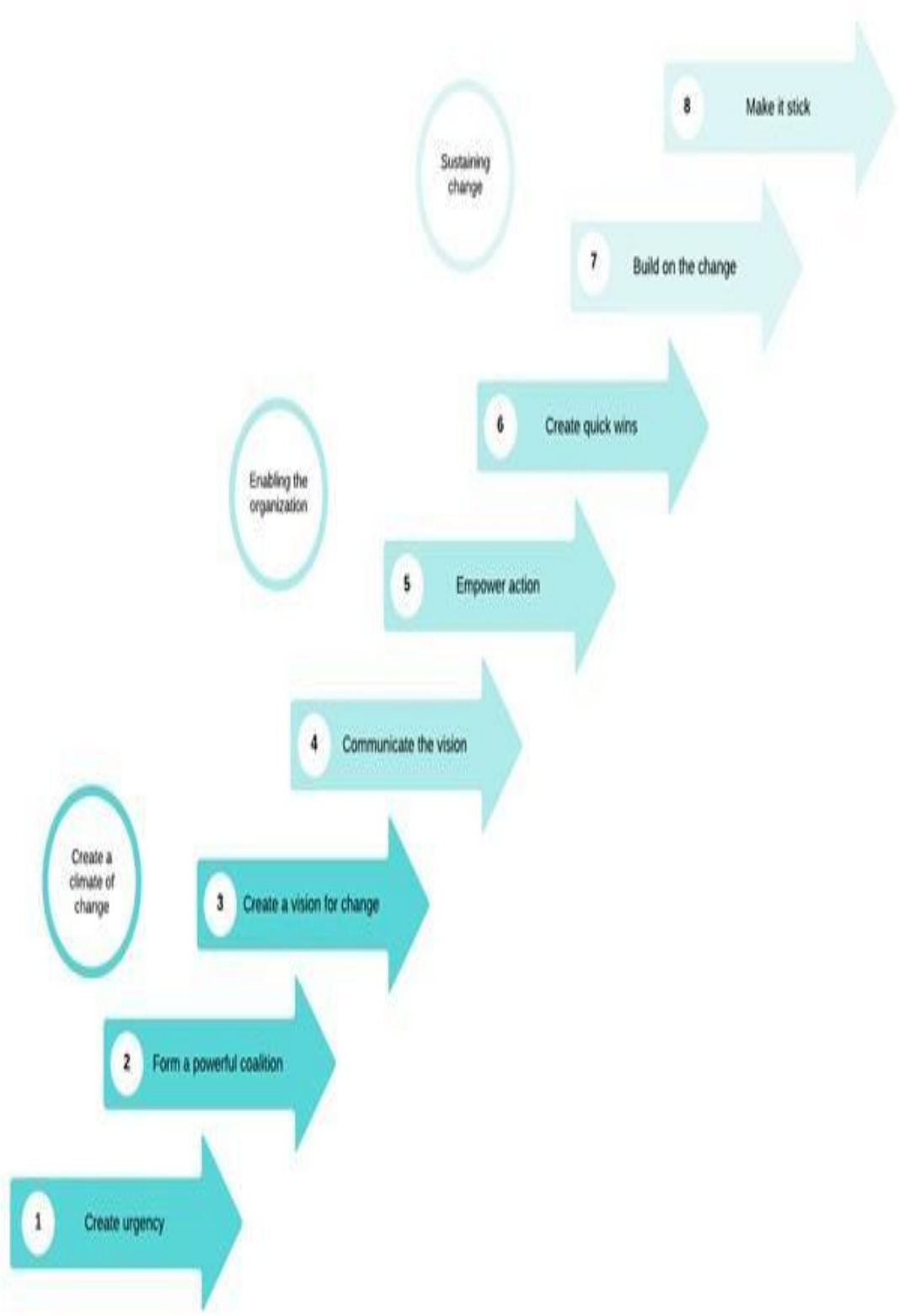
Since organizational change is directly dependent upon its employees for successful implementation, it's critical for individuals to have a clear understanding of what changes are occurring, why they are occurring, and how they affect them personally. The ADKAR model helps individuals process change through clearly defined stages that enable them to both understand and accept the changes at hand.

**Kotter's 8-step change model**

Developed by John Kotter after a survey of over 100 organizations in flux, the Kotter 8-step change model also focuses more on the people experiencing large organizational changes rather than the changes themselves. The eight steps are:

1. Create a sense of urgency.
2. Build a strong coalition.
3. Form a strategic vision.
4. Get everyone's buy-in.
5. Enable action by removing barriers.
6. Generate short-term wins.
7. Sustain acceleration.
8. Institute change.

Kotter's change management process skilfully turns possibly resistant individuals into receptive participants through trust, transparency, and teamwork. By identifying the end goal, employing everyone's involvement, and executing the impending changes together, this process remains a long-standing favourite among change management models.


Create a climate of change
Enabling the organization
Sustaining change
1 Create urgency
2 Form a powerful coalition
3 Create a vision for change
4 Communicate the vision
5 Empower action
6 Create quick wins
7 Build on the change
8 Make it stick

Kotter's 8-step Change Model

**Kubler-Ross change curve**

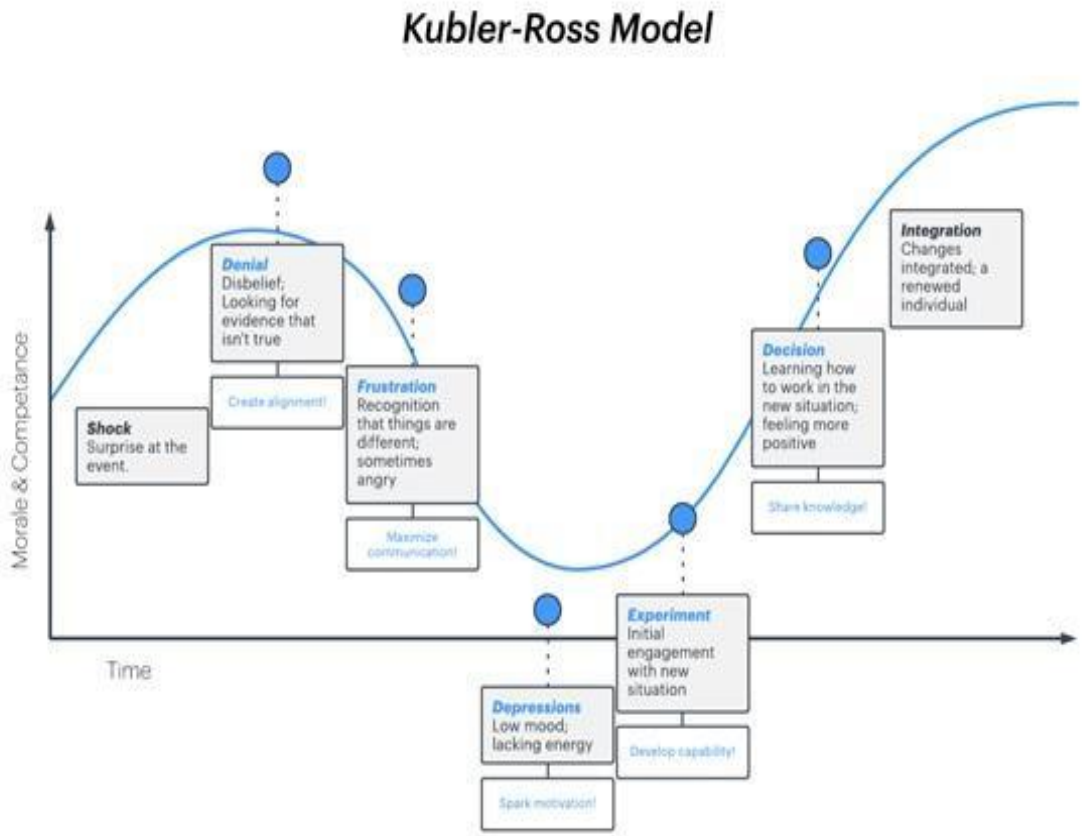
Most widely known as the five stages of grief, the Kubler-Ross change curve can also be thought of as a reliable change management strategy due to its breakdown of how people

process change in general. Organizations can better prepare for change when they also anticipate the possible reactions by their workforce. The five stages are:

- Denial
- Anger
- Bargaining
- Depression
- Acceptance

If teams and companies lose sight of whom their changes impact the most, then their attempts to make those changes will be for naught. Changing an organization is not like changing a tire; there are emotional factors to consider.

One caveat to consider with this change management strategy is that these stages are not always sequential and that everyone can progress through them differently, so its effectiveness is not always predictive. As such, it can also be used to supplement other change management models for a two-fold approach.




Kubler-Ross Change Curve

**McKinsey 7s model**

The McKinsey 7s model was developed at the McKinsey consulting firm by Thomas J. Peters and Robert H. Waterman during the 1970s to evaluate how the different parts of an organization work together. According to the 7s model, there are seven fundamental elements of every organization:

Hard elements (easiest to identify and control)

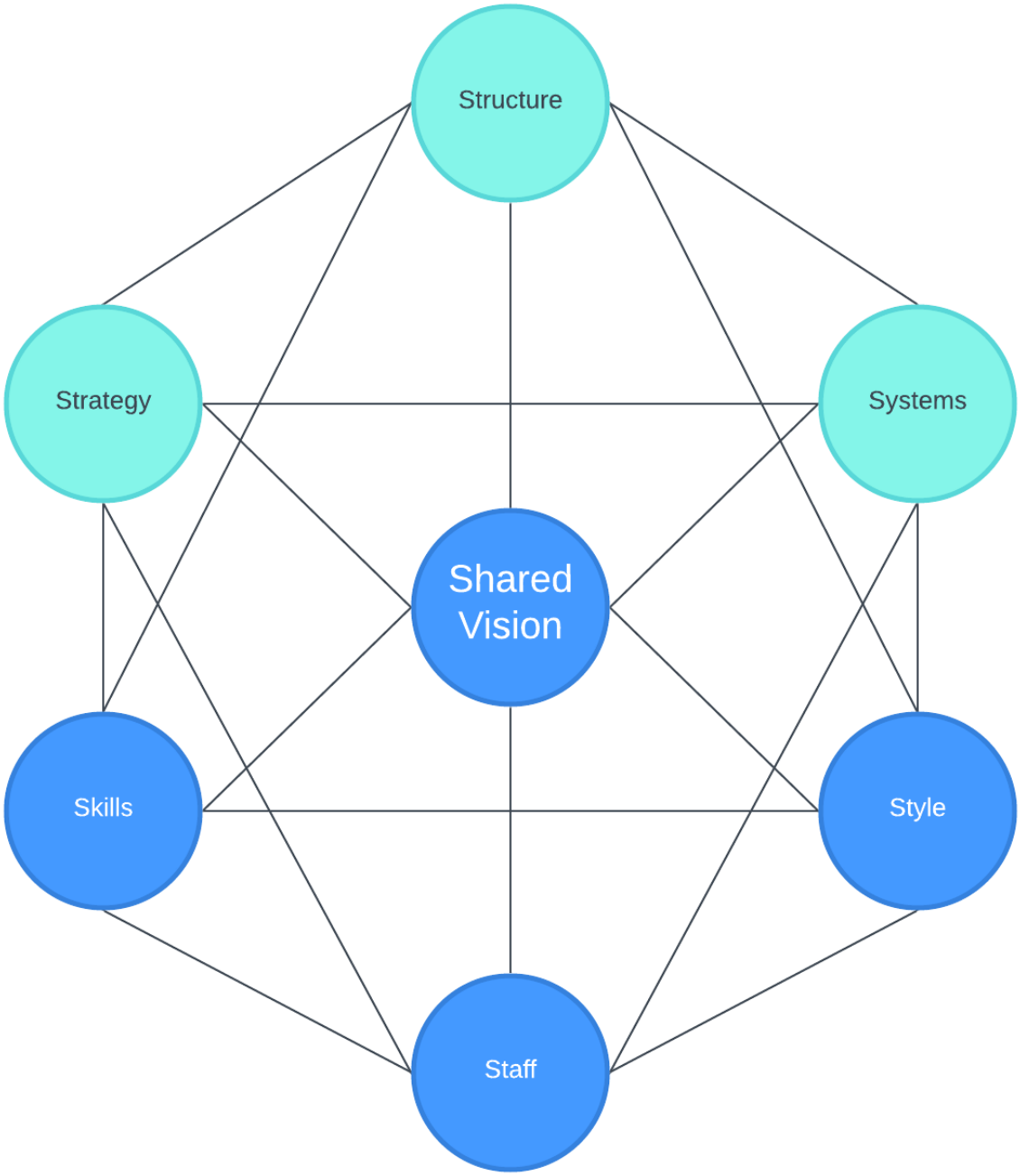
- Strategy
- Structure
- System

Soft elements (more subjective and difficult to change)

- Shared values
- Staff
- Style
- Skills

These elements are interconnected, and if one element is altered, the change will ripple out and affect the other elements. Companies tend to use the 7s model when they implement changes in the organization and need to align different departments and processes.

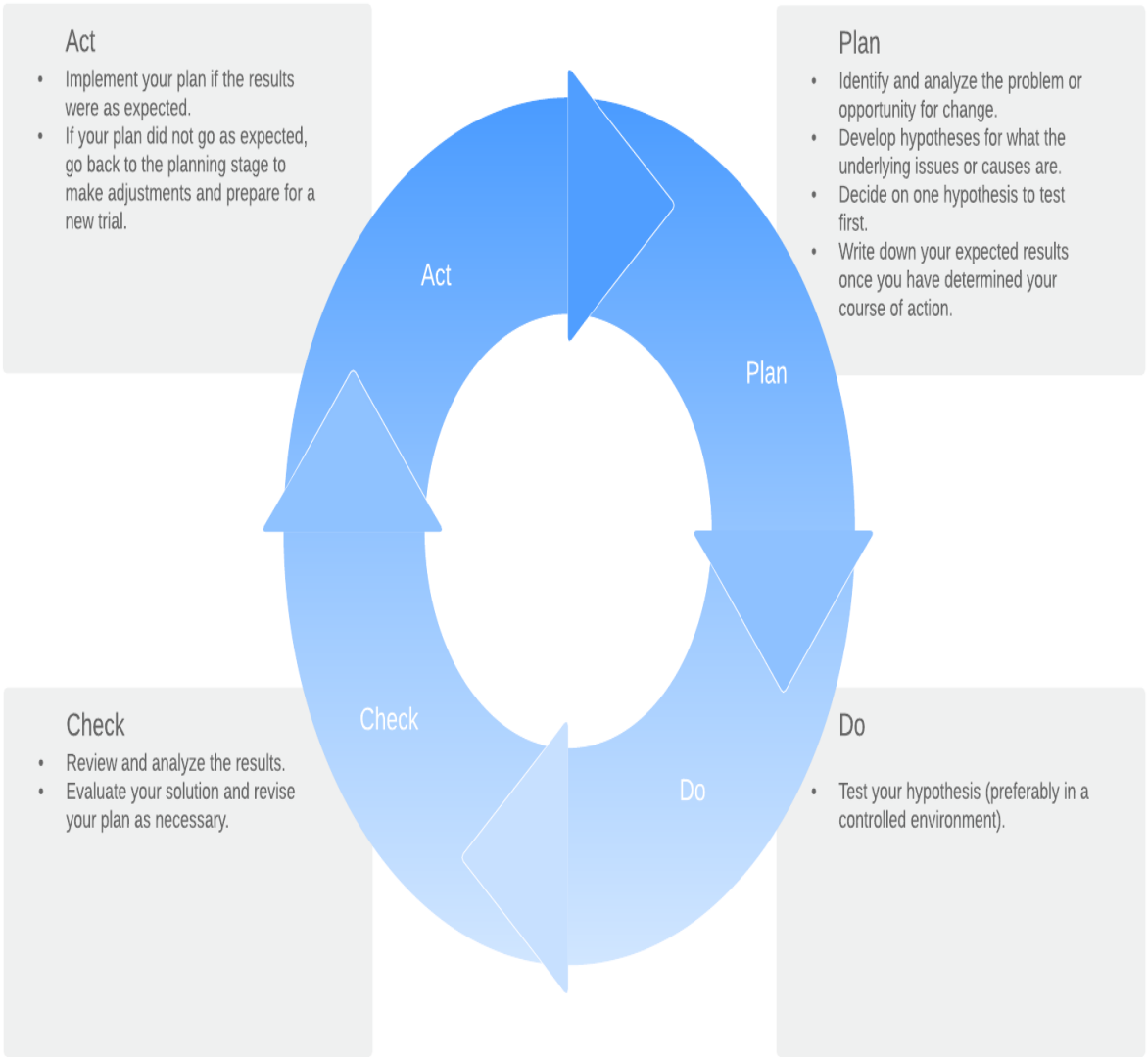
As an example, if a company grows rapidly from 15 employees to 50 employees, the staff, shared values, and structure of the organization will probably change and are going to affect the other elements. Using the 7s model, it is possible to understand the changes and realign the elements during growth to keep everything running smoothly.




McKinsey 7S Model

**PDCA model**

Also known as the Deming wheel or control cycle, the PDCA model was developed by William Deming during the 1950s. Standing for Plan-Do-Act-Change, the PDCA model is a cyclical and iterative process for continuous change and improvement.


Act
Implement your plan if the results were as expected.
If your plan did not go as expected, go back to the planning stage to make adjustments and prepare for a new trial.
Plan
Identify and analyze the problem or opportunity for change.
Develop hypotheses for what the underlying issues or causes are.
Decide on one hypothesis to test first.
Write down your expected results once you have determined your course of action.
Act
Plan
Check
Do
Check
Review and analyze the results.
Evaluate your solution and revise your plan as necessary.
Do
Test your hypothesis (preferably in a controlled environment).

Plan, Do, Check, Act Example

It helps organizations make improvements by following a simple process: devise a plan, test the plan, implement the plan, evaluate the plan's success, and make the necessary changes. Rinse and repeat.

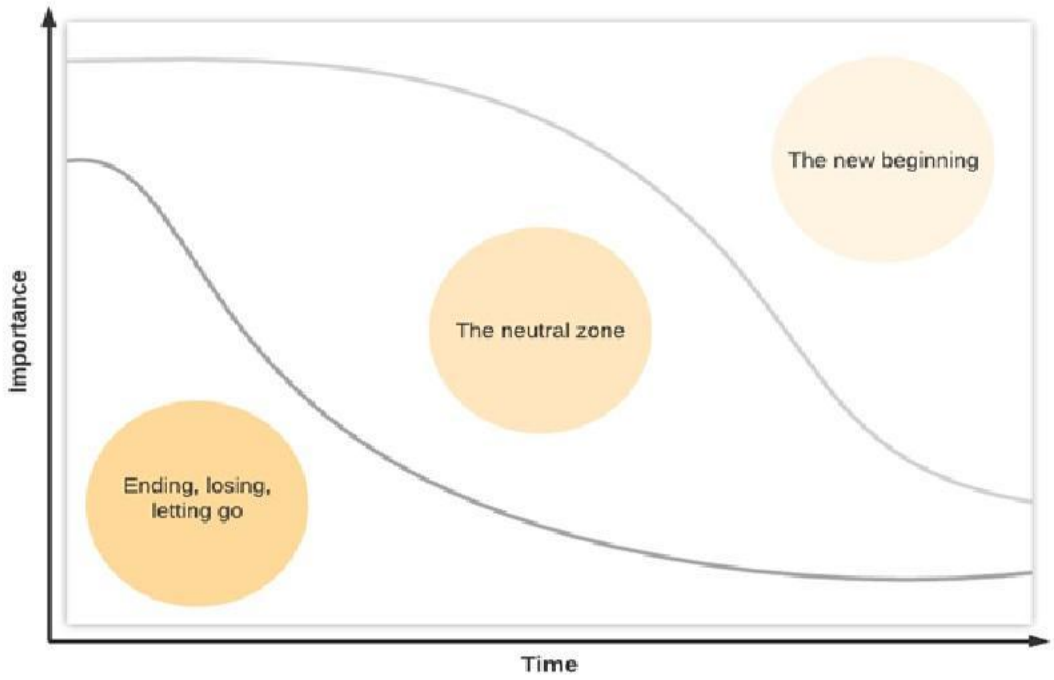
As a powerful and versatile cycle, PDCA is best used when conducting controlled trails, finding inefficiencies, and developing new processes across businesses and industries.

**Bridges Transition Model**

Similar to the Kubler-Ross change curve, the Bridges Transition Model is another people-centered approach to change management. However, unlike the Kubler-Ross change curve, the Bridges Transition Model focuses on the transition to the change and people's experience rather than the change itself.

According to the Bridges Transition Model, the key to change management isn't the results of the change, but the way the employees let go of the old and accept the new. The Bridges Transition Model is best used during large changes to help employees through the process. There are three stages that occur when people transition to change:

1. **Ending, losing, and letting go**: As contradictory as it seems, the first step in the transition model begins with an end and is typically the most emotional for employees. Failure to acknowledge employees' feelings may cause them to reject the changes so it is important to clearly communicate the purpose and benefits of the change.
2. **Neutral zone**: During this phase, employees adapt to the change and get up to speed with new processes. Communicate quickly and clearly when issues arise to avoid confusion and frustration.
3. **New beginnings**: The last stage of the transition is acceptance. Employees have a sense of direction and understand why the changes needed to happen. Highlight the success of the changes to demonstrate the tangible results of the employees' hard work.




Bridges's Transition Model

Prepare for change
Change management models help organizations prepare for upcoming changes. Whether you are working on large company-wide changes or updating processes within your department, the right tools make planning for even the broadest of changes within an organization becomes possible.

**Kotter's Eight-Step plan for Implementing Change –**

**Step 1: Create Urgency**

For change to happen, it helps if the whole company really wants it. Develop a sense of urgency around the need for change. This may help you spark the initial motivation to get things moving.

This isn't simply a matter of showing people poor sales statistics or talking about increased competition. Open an honest and convincing dialogue about what's happening in the marketplace and with your competition. If many people start talking about the change you propose, the urgency can build and feed on itself.

What you can do:

- Identify potential threats , and develop scenarios showing what could happen in the future.
- Examine opportunities that should be, or could be, exploited.
- Start honest discussions, and give dynamic and convincing reasons to get people talking and thinking.
- Request support from customers, outside stakeholders and industry people to strengthen your argument.

**Step 2: Form a Powerful Coalition**

Convince people that change is necessary. This often takes strong leadership and visible support from key people within your organization. Managing change isn't enough – you have to lead it.

You can find effective change leaders throughout your organization – they don't necessarily follow the traditional company hierarchy. To lead change, you need to bring together a coalition, or team, of influential people whose power comes from a variety of sources, including job title, status, expertise, and political importance.

Once formed, your "change coalition" needs to work as a team, continuing to build urgency and momentum around the need for change.

What you can do:

- Identify the true leaders in your organization, as well as your key stakeholders .
- Ask for an emotional commitment from these key people.
- Work on team building within your change coalition.
- Check your team for weak areas, and ensure that you have a good mix of people from different departments and different levels within your company.

**Step 3: Create a Vision for Change**

When you first start thinking about change, there will probably be many great ideas and solutions floating around. Link these concepts to an overall vision that people can grasp easily and remember.

A clear vision can help everyone understand why you're asking them to do something. When people see for themselves what you're trying to achieve, then the directives they're given tend to make more sense.

What you can do:

- Determine the values that are central to the change.
- Develop a short summary (one or two sentences) that captures what you "see" as the future of your organization.
- Create a strategy to execute that vision.
- Ensure that your change coalition can describe the vision in five minutes or less.
- Practice your "vision speech" often.

**Step 4: Communicate the Vision**

What you do with your vision after you create it will determine your success. Your message will probably have strong competition from other day-to-day communications within the company, so you need to communicate it frequently and powerfully, and embed it within everything that you do.
Don't just call special meetings to communicate your vision. Instead, talk about it every chance you get. Use the vision daily to make decisions and solve problems. When you keep it fresh on everyone's minds, they'll remember it and respond to it.

It's also important to "walk the talk." What you do is far more important – and believable – than what you say. Demonstrate the kind of behaviour that you want from others.

What you can do:

- Talk often about your change vision.
- Address peoples' concerns and anxieties, openly and honestly.
- Apply your vision to all aspects of operations – from training to performance reviews. Tie everything back to the vision.

**Step 5: Remove Obstacles**

If you follow these steps and reach this point in the change process, you've been talking about your vision and building buy-in from all levels of the organization. Hopefully, your staff wants to get busy and achieve the benefits that you've been promoting.

But is anyone resisting the change? And are there processes or structures that are getting in its way?

Put in place the structure for change, and continually check for barriers to it. Removing obstacles can empower the people you need to execute your vision, and it can help the change move forward.

What you can do:

- Identify, or hire, change leaders whose main roles are to deliver the change.

- Look at your organizational structure, job descriptions, and performance and compensation systems to ensure they're in line with your vision.
- Recognize and reward people for making change happen.
- Identify people who are resisting the change, and help them see what's needed.
- Take action to quickly remove barriers (human or otherwise).

**Step 6: Create Short-Term Wins**

Nothing motivates more than success. Give your company a taste of victory early in the change process. Within a short time frame (this could be a month or a year, depending on the type of change), you'll want to have some "quick wins " that your staff can see. Without this, critics and negative thinkers might hurt your progress.
Create short-term targets – not just one long-term goal. You want each smaller target to be achievable, with little room for failure. Your change team may have to work very hard to come up with these targets, but each "win" that you produce can further motivate the entire staff.

What you can do:

- Look for sure-fire projects that you can implement without help from any strong critics of the change.
- Don't choose early targets that are expensive. You want to be able to justify the investment in each project.
- Thoroughly analyse the potential pros and cons of your targets. If you don't succeed with an early goal, it can hurt your entire change initiative.
- Reward  the people who help you meet the targets.

**Step 7: Build on the Change**

Kotter argues that many change projects fail because victory is declared too early. Real change runs deep. Quick wins are only the beginning of what needs to be done to achieve long-term change.

Launching one new product using a new system is great. But if you can launch 10 products, that means the new system is working. To reach that 10th success, you need to keep looking for improvements.

Each success provides an opportunity to build on what went right and identify what you can improve.

What you can do:

- After every win, analyse what went right, and what needs improving.

- Set goals  to continue building on the momentum you've achieved.
- Learn about kaizen , the idea of continuous improvement.
- Keep ideas fresh by bringing in new change agents and leaders for your change coalition.

**Step 8: Anchor the Changes in Corporate Culture**

Finally, to make any change stick, it should become part of the core of your organization. Your corporate culture often determines what gets done, so the values behind your vision must show in day-to-day work.

Make continuous efforts to ensure that the change is seen in every aspect of your organization. This will help give that change a solid place in your organization's culture.

It's also important that your company's leaders continue to support the change. This includes existing staff and new leaders who are brought in. If you lose the support of these people, you might end up back where you started.

What you can do:

- Talk about progress every chance you get. Tell success stories about the change process, and repeat other stories that you hear.
- Include the change ideals and values when hiring and training new staff.
- Publicly recognize key members of your original change coalition, and make sure the rest of the staff – new and old – remembers their contributions.
- Create plans to replace key leaders of change as they move on. This will help ensure that their legacy is not lost or forgotten.

**Leading the Change Process –**

The key to any successful change management initiative is having effective leaders who not only embrace change, but also effectively lead others through change. Organizational change isn’t always predictable and can occur at any time. As a result, leaders must be flexible and ready to recognize the need for change. They also need to take actions that help the entire organization support change on an ongoing basis. Here are eight important principles for leading organizational change.

**1. A clear vision**

For any company endeavour, there must be a well-defined plan. Successful organizational change requires a vision that details the reason for change, how it will impact employees, and what the end result will be. People need to have a clear line of sight that helps them see how things will change and how the company will be better once the change is implemented effectively. Without that clarity, it’s hard for people to see how and why they should support change. Instead of simply telling employees that change is coming, leaders can effectively

communicate a clear vision for change by repeating the vision in numerous forums, including in meetings, one-on-one discussions, and emails. A strong vision inspires people to action. As people become more comfortable with the vision for change, they will have time to embrace it and support it by changing their behaviour.

**2. Involvement of the entire organization**

Although it's necessary for organizational leaders to establish and communicate the vision for change, leaders also need to ensure that the change initiative involves all levels of the organization. Successful change management must start at the top, but it can't stay there. When the entire workforce is involved, there is less chance of certain groups or functions assuming they are immune to change or that they don't need to participate. In addition, when everyone is included in organizational change efforts, there's a greater likelihood that a culture that embraces change will result.

Functional and frontline leaders are uniquely positioned to ensure the involvement of the whole workforce. They touch all levels of employees and can help ensure that key messages about change are consistently delivered throughout the company. In fact, one study found that one of the most important factors of successful organizational change efforts was the effectiveness of mid-level managers. With the consistent support of all leaders, key messages are reinforced rather than diluted or lost.

**3. Change agents**

Organizational leaders can further drive the effectiveness of company change efforts by enlisting change agents who can also support and champion change. These informal leaders support change and lead by example, showing others how to approach change and how to develop a mindset that is less resistant to change. Change agents can lead a task force, explain a new process to a group of employees, or organize a Q&A session to help employees navigate change. When people see change agents and peers participating in change efforts, they may be more likely to join in.

**4. Effective communication**

Effective communication not only helps people understand change and how it will impact them, but also keeps change efforts on track. When the communication is two-way, individuals also have opportunities to share feedback and ask questions. According to a Robert Half survey, 65 percent of managers said that clear and frequent communication was the most important aspect of leading through times of change. Opportunities for effective communication exist before, during, and after a change initiative. For example:

- Before change - Clear communication about the change that's coming helps employees prepare and adjust.
- During change - Frequent communication about progress and milestones helps individuals see what's been accomplished and gain clarity on next steps.
- After a change initiative has concluded - Regular communication reinforces new behaviours and processes and helps to ensure people don't fall into the "old way" of doing things.

**5. Learning and development**

Most people don't show up to work knowing how to handle change; they need to be taught. Considering that organizational change happens so frequently and that there are many effective strategies for managing it, leaders can benefit from coaching and change management training that helps them master the art of leading change. When leaders have the skills they need to guide employees through change, they will lead with greater impact and drive change at the individual level. Targeted leadership development can help individuals build competency in the following areas:

- Setting expectations to help individuals understand desired outcomes
- Effectively delivering messages about change that drive individual behaviour
- Giving feedback that inspires and motivates employees to embrace change

**6. Employee support**

Change can be a daunting and frustrating experience, but those frustrations can be allayed by leaders who provide the motivation and support that shows employees they're not alone. Support for employees can come in many forms. Leaders can have one-on-one conversations with employees during which they show empathy and provide suggestions for how to navigate change. They can also provide individuals with tools that will help them adapt to a new process or workflow. Other examples of employee support mechanisms include:

- Feedback sessions that give individuals opportunities to raise concerns and ask questions about the changes they're experiencing.
- Experiential learning exercises that provide a safe environment for learning and practicing new skills in areas such as teamwork, communication, or time management.
- Team building and off-site sessions that help individuals bond over shared experiences and benefit from each other's advice.

**7. Accountability in teams**

Successful organizational change can only happen if everyone takes accountability for doing their part. Leaders need to be accountable for communicating clear expectations, providing feedback, and supporting their team through a change initiative. They also need to ensure that everyone on the team is accountable for the outcome of the change initiative, instead of viewing it as a management-only exercise. One way leaders can build accountability within teams is with MCR (Model, Coach, Require) coaching. In this three-step process, leaders model the behaviour they expect of employees, coach individuals for improved performance, and then require the necessary change in behaviour by setting clear expectations and consequences. When everyone does their part and takes ownership of organizational change, teams function more efficiently and sustainable change becomes more likely.

**8. Reinforcement and measurement**

Organizational change doesn't stop just because a specific change initiative has come to its conclusion. Leading organizational change requires reinforcement of new employee

behaviours and skills, as well as measurement of your progress on an ongoing basis. Regular reinforcement of newly learned behaviours supports better retention of training content. Additionally, measuring progress helps everyone see how far you've come and inspires them to stay the course. Examples of reinforcement and measurement activities that keep the momentum going for organizational change efforts include:

- Celebrating wins and other successes.
- Following up with employees in person and via email to reiterate the company's commitment to change.
- Reinforcing new skills employees have learned through assessments and learning exercises.
- Measuring the results of change initiatives through surveys and performance metrics.

Leading organizational change requires a deliberate focus on developing leaders who can lead others through the waters of change. Leaders need to possess the ability to explain to employees why change is necessary, how change will impact them, and what each person must do to make the change initiative a success. When leaders have the tools to communicate, coach, and support employees through change, the chances of success are greater.

**Facilitating Change –**

**7 Ways to Facilitate Change Within the Organization**

Ways to Facilitate Change

**1. Create a Change Baseline**

Your own assumptions about what motivates people will determine the success or failure of your change program. If your assumptions are incorrect, you may miss a valuable opportunity, that of gaining stakeholder ownership of the change process.

"Why is this?", you ask. People do what they do for a reason. A person's behaviour (what we observe) is an expression of their underlying beliefs and assumptions. To make our want to facilitate change appealing to others, we must understand why they do what they do.

The baseline is created by identifying the dissatisfaction, vision, first steps, and change resistance for each stakeholder involved with your change program. Using a spreadsheet application, make a table listing the stakeholders and each area of investigation:

- Who are the stakeholders?
- What are they dissatisfied with?
- How do they feel about the planned changes (Vision)?
- What steps will provide a good Return on Investment (ROI)?
- And finally: What resistance must be overcome to succeed?

**2. Define Change Strategies**

We now have a baseline of the key issues for each stakeholder. The next step is to select the ones that you can realistically alter and develop targeted strategies to alter them. People won't change unless they feel safe, secure and in control over the results. You can't just force people to change by management decree. To facilitate change, you must change their underlying assumptions with a credible plan.

List what assumptions need to change. Include a strategy for overcoming the resistance to change identified for each stakeholder group. The strategy should fill the gaps. Increasing dissatisfaction with the status quo should improve motivation. Increasing the vision element

will ensure the program is completed. Increasing first steps will make sure the program gets started. Lastly, decreasing resistance will simplify the whole effort.

**3. Change the Measurements**

Measurements define the culture of an organization, so it makes sense they would be a good way to facilitate change. What you measure is what you manage, and the person that does the measuring is the manager. In order to change the outcome, we must change what is measured and (possibly) who or what is doing the measuring.

Think about this a little. The person or thing measuring is receiving feedback, the result of prior changes. This is known as a control loop, or a "feedback loop". If the one measuring can't make changes or the one making changes can't measure the results, the resulting delays are significant wastes that cause serious troubles.

Leaders define the performance standards, or measures. You can't introduce new measurements into the organization and then continue to ask for the old ones. If a leader keeps asking for old information, people *give it* to him or her. If a leader seems to counter the aims of your change program, the people being led will respond the same way.

**4. Communicate Change Details**

One way to facilitate change is to define what needs to change in as much detail as possible. For example, you can't just say, "Salespeople need to be friendlier to customers." You have to define "friendly". You have to communicate the characteristics of friendly behaviour, such as "greet customers warmly", "ask about their concerns", or "address them by name". Once you know what the behaviour looks like, translate it in detail to employees and reward them immediately for doing it.

**5. Communicate Successful Changes**

Reward those who change and acknowledge their contributions. In order to facilitate change, you must focus your attention on people who change and ignore those who do not. This will send the message to others that you value the changes made and, in turn, encourage others to participate in the change program. To derive the greatest benefit, the reward — material or not — must be immediate and public.

**6. Measure Change Progress**

Make sure you have a regular method to capture where the organization stands with respect to the change program. Is the current dissatisfaction, vision, and first steps level greater than the resistance to change?

People are not mechanical systems: their behaviours are the result of internal beliefs and assumptions. We must measure and monitor the progress being made to ensure that the change program is having an effect on those beliefs and assumptions. If given the option, most people will opt for the devil they know rather than the one they don't.

**7. Ensure Change Lasts**

Increasing the values in the change formula will help facilitate change and bring about behaviour changes. However, it alone will not make them stick. Organizational culture is far more persistent than many people allow for. Change must be an iterative, interactive, and ongoing **process**. It is definitely NOT an event. Go back to the first step and update the change baseline. Discover new changes that are needed. Develop new change strategies and keep up the change.

**Dealing with Individual & Group Resistance -**

Individual sources of resistance towards a change exist in the basic human tenets or characteristics and are influenced by the differences in perception, personal background, needs or personality-related differences. It is important to understand those triggering factors

or issues which refrain individuals from endorsing change or extending their support and cooperation towards any change initiatives at an organizational level.

Criticizing the individuals or the teams for not being supportive in the stages of transition or compelling them cannot be an effective solution for implementing change smoothly or in a hassle free manner.

**The resistance towards change at an individual level can be due to various reasons:**

- How satisfied they are with the existing state of affairs
- Whether they appreciate the overall end product of change and it's outcome on them
- How much practical or realistic the change is
- What will be the possible cost change on the individual in terms of potential risks involved, pressure to develop new competencies and disruptions

The following factors explain why individuals may pose resistance towards change:

- **Habits:** We individuals are influenced by our habits in our ways of working and accept or reject a change depending upon the effect which a change may have on the existing habits of the individuals. For example, change in the office location might be subjected to resistance from the individuals as this might compel them to change their existing life routine and create a lot of difficulties in adjustment or coping with the schedule. The individuals might have to drive a longer way for reaching their office, or start early from home for reaching their office in time, etc.
- **Lack of Acceptability or Tolerance for the Change:** Some individuals endorse change and welcome a change initiative happily while few individuals fear the impact of change. Over a period of time change fatigue also builds up.
- **Fear of a Negative Impact Economically or on the Income:** During the process of organizational restructuring or introduction of organization-wide change as a strategic move on the part of the management, several inhibitions, and fear rule the thought process of the individuals. Fear of possible loss of a job as a result of change or a change in their income structure or may be a change in their work hours could be one amongst the possible reasons.
- **Fear of the Unseen and Unknown Future:** Individuals develop inertia towards the change due to the fear of unknown or uncertainties in the future. This can be tackled through effective communication with the participants of change and making people aware of the positives of change and the course of action which individuals are expected to follow to cope with the changing requirements successfully.
- **Fear of Losing Something Really Valuable:** Any form of threat to personal security or financial security or threat to the health of the individuals may lead to fear of losing something precious as a result of the implementation of change.
- **Selective Processing of Information:** It can be considered as a filtering process in which the individuals perceive or make judgments by gathering selective information which is greatly influenced by their personal background, attitude, personal biases or prejudices, etc. If an individual maintains a negative attitude towards any kind of change, then they are having a usual tendency of looking at the negativities associated with the change and involve all the positive aspects of it.
- A Rigid Belief that change cannot bring about any facilitating change in the organization and it only involves the pain and threats to the individuals.

**organizational factors which result in resistance to change.**

- **Resistance Due to the Structural Rigidities or Limitations:** Structural resistance is a characteristic feature of bureaucracies, which focus more on stability, control, set methodologies or routine.
- Ignoring all the interconnected factors which require change or lack of clarity in understanding the ground realities.
- **Inertia from the Groups:** Groups may resist change because just like individuals, groups equally follow set behavioural patterns, norms or culture and as a result of change the groups might have to change their existing ways of conduct or behaviour.
- Possible threats to Power, Resources or Expertise can also result in resistance towards an organization level change. Any kind of devolution of power or transfer of resources from some agency or group to some other agency or a group will definitely lead to a feeling of fear or inertia towards a change initiative.

In the end, it can be concluded that any kind of change will surely involve heavy resistance at the individual as well as organizational level. But through effective communication during all stages and consulting, desirable outcomes can be ensured by breaking all the possible barriers or resistances towards a change. What is more important is identifying the main source of resistance and accordingly developing action plans for dealing with it.

Successful change in an organization will require strong commitment and involvement on the part of the top management, focused and an integrated approach, strong and a stable leadership, effective and open communication from the internal change agent for making people sensitive and more aware of the realities and the ultimate need for change.

*For minimizing the resistance towards the change employee participation and involvement in the overall process plays a crucial role in building acceptability and seeking the cooperation of the employees towards the change*. Hence proper planning, coordinated approach and complete involvement of all the stakeholders, play a decisive role in implementing strategic decisions and determining the success of change.

**Techniques for Overcoming Resistance to Change and Selection of Appropriate Technique**

According to **Kotter and Schlesinger (1979)** proposed six crucial techniques for overcoming the resistance to change. These are given below:

1. Widespread Education and Improving Communication
2. Facilitating Participation and involvement
3. Support and Facilitation
4. Agreement & Negotiation
5. Co-optation & Manipulation
6. Coercion-Both Explicit and Implicit

1. **Education and Effective Communication:** This is one of the commonest techniques for minimizing resistance to change by educating people and promoting awareness through effective communication regarding the benefits of a planned change. By explaining the need for change and the objectives of change, the management can gain the much-needed support from the team members and facilitate its smoother implementation.

With the help of two-way communication, the employee's queries and oppositions related to various aspects of change can be quickly addressed and thereby, minimize the objections or hassles which may come across in the path of implementation of change.

Given below are the important principles which are related to the communication of change and require a lot of attention while implementation a planned change:

- A large-scale planned change can be effective and yield successful outcomes only if it involves two-way communication efforts. Only top down communication or one-way communication will fail to attract the desired commitment from the staff members.
- The staff members do have a preference for being communicated about the change on face to face basis from their immediate supervisors.
- According to Beckhard& Pritchard 1992; Robbins et al. 1998; Ivancevich & Matteson 1996, employees prefer a consultation and involvement in the change.

Few important things which should be essentially followed while implementing an organization-wide change are:

- Avoid sending emails or memo for informing the employees regarding a change initiative and expect that the employees will be able to understand and accept it readily.
- Invite the suggestions and feedback from the staff members, involve them in the process and encourage their participation for effective results.
- Communicate with people regularly by engaging in face to face interactions with them both individually and in groups and provide them opportunities for discussion.

2. **Facilitating Participation and Involvement:** This technique gives a lot of importance to involving the resistors in the change process by setting up a collaborative environment and implementing the change in consultation with the staff. It is a constructive strategy and can be beneficial in minimizing the resistance to change by involving the employees and seeking their participation in the entire process.
3. **Support and Facilitation:** Employees fear or resist change due to a number of reasons as a result of which they pose a resistance or oppose any kind of transformation in the existing ways of work or methods. The employees look for complete emotional support and facilitation for being able to cope up with the challenges resulting from the change and should be allowed to express their fear, resentment or anger in connection with the change and the challenges of change.
4. **Agreement & Negotiation:** This technique involves negotiating or bargaining with the resistors on various aspects related to the change and making tradeoffs so that the concerns of the resistors and the management are both being given due consideration and importance.
5. **Co-optation & Manipulation:** This technique involves getting the support, persuading or influencing the employees in favor of the change. Manipulation involves covert attempts from the managers by withholding painful information, twisting or distortion of the information for making it more appealing for the staff

members or spreading false rumors across the organization in order to compel the employees to accept the change manipulatively.

Alternately, the managers can depend on staff polling strategy and make an attempt towards persuading the resistors to join the rest of the group. The management may even co-opt an individual and assign certain important responsibilities in connection with the implementation of change.

6. **Coercion:** Implicit and Explicit: Coercion involves exercising force or threat for making the change accepted and followed by the employees. This strategy emphasizes more on the use of fear by way of direct or indirect threats and involves harassment, bullying or compels the employees to act in accordance with the expected ways or else resign. This strategy is illegal, ineffective and in the long-run, will result in mass resentment, dissatisfaction, high rate of absenteeism, low productivity and ultimately high employee turnover.

Selecting the Right Technique and the Relative Benefits of Each Technique

1. **Education and Effective Communication:** This technique is useful when there is an absence of availability of ample information with the employees, or they have inaccurate or partial information on various aspects of change. Once the employees are convinced about the change, then they will help in the successful implementation of change as change partners.
2. **Facilitating Participation and Involvement:** This technique can be useful when the initiators lack substantial information for designing and implementing the change, or the employees have tremendous power to resist the change. The involvement of the employees can increase their commitment level and motivation for supporting the change initiatives, reduce resistance and improve the quality of the decision in connection with the change.
3. **Support and Facilitation:** This technique is useful when there is resistance towards change from the people due to certain adjustment or adaptability issues. This is the best technique as it involves employee facilitation, training & various supportive efforts for reducing the resistance. However, this technique is very time consuming, expensive and does not necessarily assure a successful outcome.
4. **Agreement & Negotiation:** This technique is effective when it involves exchanging something valuable for reducing the resistance towards the change. This is one of the most convenient techniques for avoiding any kind of major resistance.
5. **Co-optation & Manipulation:** This technique can be adopted only when the other techniques fail to provide the desired results or are too expensive. This technique can be relatively inexpensive and quick in terms of results.
6. **Coercion (Explicit & Implicit):** This technique should be avoided till the end and can be used only as the last possible resort.

**Intervention Strategies for Facilitating Organizational Change –**

**Eight Steps for Organizational Development Interventions**

Business leaders must continually look at the changing market to develop and implement strategies within their organizations. Failure to do so results in becoming less relevant to

consumers and losing revenues. Organizational development intervention techniques are designed to assess information, process new strategies, and effectively integrate new approaches. Following the eight steps for organizational development process interventions helps leaders remain focused on specifics as they proceed through organizational change.

**Entry Signals**

Entry signals refer to the flags a business leaders sees outside the business that alert him to start thinking about change. An entry signal could be external, such as a new competitor with innovative solutions, or internal, such as a sudden influx of negative feedback on products and services.

**Purpose**

The purpose step defines the core issues that are at play with newly discovered issues. This may be the step where a third-party change agent is brought in to take over the organizational development (OD) intervention. For example, an influx of complaints may have started at the onset of moving to fulfillmentcenters with inexperienced employees. The change agent goes to the site and gathers all pertinent information. The purpose is to develop a strategy that will resolve the issues with the fulfillmentcenter.



**Eight Steps for Organizational Development Interventions**

*by Kimberlee Leonard; Updated August 13, 2018*

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to the site and gathers all pertinent information. The purpose is to develop a strategy that will resolve the issues with the fulfillmentcenter.

**Assessment**

Assessment takes the information gathered in the previous step and summarizes the feedback. This is presented to other stakeholders and management so the group can then review the issues, the overall company goals and budget.

**Action Plan**

Stakeholders and leaders develop a plan to solve the problem. In the case of the new fulfillmentcenter, the assessment may demonstrate a lack of training on company processes for fulfillment. The action plan becomes to implement a new training program to resolve it.

**Intervention**

With intervention, leadership takes the action plan steps and begins the implementation process. Leadership explains to teams the series of changes that will happen and rolls out the change plan. In the case of the new fulfillmentcenter, this means organizing the training in a way to least disrupt operations and running training programs.

**Evaluation**

Once the intervention is complete, leadership evaluates the results. This is where metrics are collected and measured compared to the control defined in the purpose and assessment phase and the goals set forth in the action plan.

**Adoption**

After evaluating the success metrics of the action plan, the stakeholders and leadership determine if the changes will become a new part of the organization policy. In the case of the training program, it might become a mandatory onboarding process for all employees to complete.

**Separation**

Separation is the closure of the organizational development process most prominent when the change was implemented by a third-party change agent. This person begins the process of stepping away from the organization and project, providing duties to others within the organizations. If leadership was helming the intervention, a systematic delegation of duties is implemented to allow leaders to get to other tasks and projects.

**Methods of Implementing Organizational Change –**

8 Methods Of Implementing Change In an Organization

**Several methods of implementing change in organisations are discussed below:**
Today's business environment is very dynamic and changes are the order of the day. Some changes originate within the organisation, but many come from the external environment.

For instance, new laws are legislated by the government which the organisations must comply, new developments in technology arise, competitors introduce new products / services, customer's likes and dislikes change, life styles change. There are pressures from customers, labour unions, communities and competitors which force change on organisations.

**(i) By transformational leaderships:**
Transformational leaders are managers who initiate bold strategic changes to position the organisation for its future. They articulate a vision and sell it vigorously. They stimulate employees to action and charismatically model the desired behaviours. They attempt to create learning individuals and learning organisations that will be better prepared for the unknown future challenges. Three important elements of transformational leadership are:

(a) Creating a vision,

(b) Figuring charisma and

(c) Stimulating learning.

**(a) Creating Vision:**
A vision is a crystallised long-range image or idea of what can be and should be accomplished. A vision may also integrate the shared beliefs and values that serve as a basis for changing an organisation's culture.

**(b) Communicating Charisma:**
Managers as leaders need to persuade employees that the vision is urgent and to motivate them to achieve it. Charisma is a leadership characteristic that can help influence employees to take early and sustained action. Charismatic leaders are dynamic risk takers, who show

their depth of expertise and well deserved self-confidence, express high performance expectations, and use provocative language to inspire the followers. Charismatic leaders are respected and trusted by employees as they introduce change and tend to be emotionally committed to the vision of such leaders.

**(c) Stimulating Learning:**
Transformational leaders develop people's capacity to learn from the experience of change. This process is called double-loop learning. The employees, who are double-loop learners, develop the ability to anticipate problems, prevent many situations and to be more ready for the next change to be introduced in the future.

**(ii) By use of group forces:**
The group is an instrument for bringing strong pressures on its members to change. Since behaviour is firmly grounded in the groups to which a person belongs, any changes in group forces will encourage changes in the individual behaviour. The idea is to help the group join with management to encourage desired change.

**(iii) By providing a rationale for change:**
Capable leaderships reinforce a climate of psychological support for change. The effective leader presents change on the basis of the impersonal requirements of the situation, rather than on personal grounds. Change is more likely to be successful if the leaders introducing it have high expectations of success. Managerial and employee expectations of change may be as important as the technology of change.

**(iv) By participation:**
Participation encourages employees to discuss, to communicate, to make suggestions and to become interested in change. Participation encourages commitment rather than mere compliance with change. Commitment implies motivation to support a change and to work to ensure that the change is effective.

Employees need to participate in a change before it occurs, not after. When they are involved in the planned change, right from the beginning, they feel committed to the implementation of such change.

**(v) By sharing rewards:**
By ensuring that there are enough rewards for employees in the changed situation, managers can build employee support for change. Rewards also give employees a sense that progress accompanies a change. Both economic and psychic rewards are useful.

**(vi) By ensuring employee security:**
Along with shared rewards, existing employee benefits need to be protected. Security during a change is essential in the form of protection from reduced earnings when new technology and methods are introduced. Seniority rights, opportunities for advancement etc., are to be safeguarded when a change is made.

**(vii) By communication and education:**

Support for change can be gained by communication and education. All individuals or groups that will be affected by change must be informed about the change in order to make them feel secure and to maintain group cooperation.

**(viii) By stimulating employee readiness:**
Employers should be helped to become aware of the need for a change. Change is more likely to be accepted if the people affected by it recognise a need for it before it occurs.

It is also essential for managers to take a broader, systems-oriented perspective on change to identify the complex relationships involved. Organisational development can be a useful method for achieving this objective.

**Developing a Learning Organization –**

some concrete steps to consider:

**Model the Learning Organization at the Top**

Leadership plays a key role in establishing a learning organization, so the c-suite needs to not only be on board, but also needs to model what it means to embrace a learning culture wholeheartedly.

**Enlist Key People Throughout the Organization**

Besides top leadership involvement, you'll need key people throughout the entire organization to be on board acting as internal champions for what could turn out to be a major organizational change effort. Adopt and implement one of the many change models out there to help you with this, such as Kotter's 8-Step Process for Leading Change.

**Define Clear Objectives with End Results**

If you used one or more of the learning culture assessment tools, you have a fairly clear picture of what areas need significant attention and effort. Use those results to formulate clear objectives. Use SMART criteria to keep these objectives Specific, Measurable, Achievable, Relevant and Time-bound.

**Encourage Employee Empowerment**

Keep your focus on giving employees opportunities to develop and grow. Don't forget the benefits that will come to them and your company – increased productivity and profitability while finding greater meaning and satisfaction in the workplace. Rather than a "forced march" approach to learning and training, ask employees what they think they need and want to learn. You will be pleasantly surprised at the relevant suggestions you get. You may also need to keep an open mind if an idea's relevancy is not immediately clear to you. Make it clear that new ideas from employees are both welcome and expected. Another aspect of empowerment comes by properly recognizing good learning among employees.

**Remove the Barriers to Learning**

The learning culture assessment you conducted might have revealed some significant anti-learning elements in your company. This is where a wise adage certainly applies: Old habits die hard. Because we are creatures of habit, any anti-learning elements in your company culture are likely to be deeply ingrained. It may take some time to deliberately unlearn the collection of informal and formal processes**,** systems, and attitudes that act as barriers to a more positive culture of learning.

**Make Time for Reflection**

One of the keys to fostering a learning culture and creating a learning organization is making sure everyone has time to reflect about each learning experience, whether it's a step in the change process, a particular learning program, or significant events in the life of the company. Also keep in mind that it there can be a lag time between learning something and being able to apply it on the job.

**Continuous Two-Way Feedback**

Employees need to know where they're at in terms of learning culture expectations, which means managers and supervisors need to be doing check-ins with them on a frequent basis (not just the usual once-or-twice-a-year performance review). By the same token, the employees themselves should have many opportunities to provide their feedback about specific learning experiences as well as the overall change effort towards a learning organization. When they perceive that their input is valued, they will have much greater buy-in and commitment to the process.

**Sharing is Caring**

The key to spreading an emerging learning culture throughout the company so it "sticks" and leads to the establishment of a learning organization is to encourage knowledge sharing. This is where your top performers and learners need to share their knowledge success with their co-workers. As they do this, they will undoubtedly pick up a few new things themselves from the people with whom they share. This creates a virtuous cycle of everyone supporting each other to develop and grow together. One way to formalize this process is through peer coaching and mentoring.

**Accepting Mistakes and the "F" Word (Failure)**

One of the most important elements in fostering a learning culture and creating a learning organization is the attitude you encourage around mistakes and failures. In far too many organizations, failure and mistakes are seen as unacceptable and something to be avoided at all cost, which can create a toxic work environment full of debilitating fear. What you're aiming for is a culture where people feel safe to take risks, make mistakes, and encounter failure. When these occur, they can be seen as learning opportunities – mere bumps on the road to success. Open discussion in a safe environment is the key to learning from mistakes and failures.

**Break Down Silos with Cross-Functional Communication**

One of the biggest “wet blanket” effects on learning culture is when different teams become isolated and compartmentalized within their department or functional business unit. If things have become fragmented into silos in your company, you have to take very deliberate actions to create opportunities for cross-functional interactions, creating time and space to make it happen.

**Promote from Within**

As your learning culture strengthens, you should have an increasing number of employees who are developing in ways that prepare them for bigger roles in the company. When employees see that embracing such learning opportunities makes them more eligible for promotion, the pace of change towards a learning organization will undoubtedly pick up steam.

This collection of actionable insights in fostering a learning culture and creating a learning culture is not meant to be exhaustive. It is a starting point to get your company heading in the right direction. As you engage the change process, you will likely uncover several more actions to move your company forward.